

TOWNSHIP OF TILDEN  
NATIONAL MINE, MICHIGAN  
FINANCIAL STATEMENTS

For the Year ended March 31, 2005

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>Tilden Township</b>	County <b>Marquette</b>
Audit Date <b>3/31/05</b>	Opinion Date <b>7/23/05</b>	Date Accountant Report Submitted to State: <b>10/7/05</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

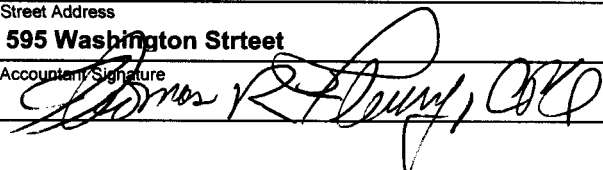
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

**We have enclosed the following:**

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).	✓		
Single Audit Reports (ASLGU).	✓		

Certified Public Accountant (Firm Name) <b>Thomas R. Fleury, C.P.A.</b>			
Street Address <b>595 Washington Strteet</b>		City <b>Ishpeming</b>	State <b>MI</b>
Accountant's Signature 		ZIP <b>49849-0267</b>	Date <b>10/7/05</b>

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**INDEPENDENT AUDITOR'S REPORT**

July 23, 2005

The Honorable Supervisor and Members  
Township of Tilden Board  
Marquette County, Michigan

I have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate and the aggregate remaining fund information of the TOWNSHIP OF TILDEN as of and for the year ended March 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted by the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for an opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the TOWNSHIP OF TILDEN as of March 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in the footnotes, the TOWNSHIP OF TILDEN has implemented a new financial reporting model, as required by the provisions of GASB No. 34, Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments, as amended and interpreted as of March 31, 2005.

In accordance with Government Auditing Standards, I have also issued my report dated July 23, 2005, on my consideration of the Townships internal control over financial reporting and on my test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in considering the results of my audit.

The budgetary comparison information on pages 18 through 21 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the TOWNSHIP OF TILDEN's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of the TOWNSHIP OF TILDEN taken as a whole. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Certified Public Accountant

## **TOWNSHIP OF TILDEN**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

Our discussion and analysis of the Township of Tilden, Michigan's financial performance provides an overview of the Township's financial activities for the year ended March 31, 2005. Please read it in conjunction with the financial statements, which begin on page 11.

#### **FINANCIAL HIGHLIGHTS**

The Township's net assets were reported for the first time under GASB 34. As such, no comparisons with prior years will be made. In future years, comparative information will be presented in various schedules throughout the "Management's Discussion and Analysis".

Net assets for the Township as a whole decreased by \$35,264 which is about two percent of the previous years net assets.

During the year, The Township had expenses for governmental activities in the amount of \$476,269 and revenues in the amount of \$448,866.

The General Fund reported a net fund balance of \$183,359. The net change in the General Fund balance was a decrease of \$6,837 which was \$14,268 less than projected.

#### **USING THIS ANNUAL REPORT**

The annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (pages 11 and 12) provide information about the activities of the Township as a whole and presents a longer term view of the Township's finances. Fund financial statements start on page 13. For governmental activities, these statements relate how these services were financed in the short term as well as what remains for future funding of these services. Fund financial statements also report the Township's operation in more detail than the government-wide statements by providing information about the Township's most significant funds. The remaining statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside the government.

#### **REPORTING THE TOWNSHIP AS A WHOLE**

My analysis of the Township as a whole begins on page 7. One of the most important questions asked about the Township's finances is, "Is the Township as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Township as a whole and about its activities in a way that helps answer that question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the Township's net assets and changes in them. Over time, increases or decreases in the Township's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Township's population base and the condition of the Township's capital assets, to assess the overall financial health of the Township.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**

**REPORTING THE TOWNSHIP AS A WHOLE (Continued)**

In the Statement of Net Assets and the Statement of Activities, the Township has two types of activities:

Governmental Activities - Most of the Township's basic services are reported here, including the legislative, elections, public safety, public works, recreation and culture, community and economic development and general services and administration. Property taxes, charges for services and State sources fund most of these activities.

Business Type Activities - The Township charges a fee to customers to help it cover most of the cost of certain services it provides. The Township provides water services for Township residents and charges a fee to cover the costs of operations.

**REPORTING THE TOWNSHIP'S MOST SIGNIFICANT FUNDS**

My analysis of the Township's major funds begins on page 9. The fund financial statements begin on page 13 and provided detailed information on the most significant funds but not the Township as a whole. Some funds are required to be established by State law and by bond covenants. However, the Township establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using taxes, grants, and other money. The Township's two kinds of funds (Governmental and Proprietary) use different accounting methods.

Governmental Funds - Most of the Township's services are reported in governmental funds, which focuses on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements provide a detailed short term view of the Township's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. I describe the relationship (or differences) between governmental activities reported in the Statement of Net Assets and Statement of Activities and governmental funds in a reconciliation which follows the fund financial statements.

Proprietary Funds - When the Township charges customers for the services it provides, those services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are in the Statement of Net Assets and the Statement of Activities. In fact, the Township's enterprise funds (a component of proprietary funds) are the same as the business type activities I report in the governmental wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**

**THE TOWNSHIP AS TRUSTEE**

The Township is the trustee, or fiduciary, for assets that, because of a trust arrangement can be used only for the trust beneficiaries. All of the fiduciary activities are reported in a separate Statement of Fiduciary Net Assets on page 17. I have excluded these activities from the other financial statements because the Township cannot use these assets to finance its operations.

**THE TOWNSHIP AS A WHOLE**

Table I provided a summary of the Township's net assets at March 31, 2005.

	Governmental Activities	Total Primary Government
	-----	-----
Current and other assets	\$ 1,335,719	\$ 1,361,426
Non current assets	421,537	1,851,269
	-----	-----
Total Assets	\$ 1,757,256	\$ 3,212,695
	-----	-----
Current liabilities	\$ 81,017	\$ 112,174
Non current liabilities	-	-
	-----	-----
Total Liabilities	\$ 81,017	\$ 112,174
	-----	-----
Net Assets:		
Invested in capital assets	\$ 421,537	\$ 1,668,237
Restricted	874,928	894,737
Unrestricted	379,774	537,547
	-----	-----
Total Net Assets	\$ 1,676,239	\$ 3,100,521
	=====	=====

Net assets of the Township's governmental activities stood at \$1,676,239. Unrestricted net assets - the part of net assets that could be used to finance day to day activities without constraints established by debt covenants, enabling legislation or other legal requirements stood at \$1,254,702.

The \$379,774 in unrestricted net assets, of governmental activities represents the accumulated results of all past years' operations. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year.

The results of this year's operation for the Township as a whole are reported in the Statement of Activities (See Table 2), which shows the changes in net assets for the fiscal year ended March 31, 2005.



**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**

Table 2 - Changes in Net Assets

	<b>Governmental Activities</b>	<b>Business Type Activities</b>	<b>Total Primary Government</b>
	-----	-----	-----
Revenues:			
Program Revenues:			
Charges for services	\$ 7,301	\$ 81,259	\$ 88,560
General Revenues:			
Property taxes	321,056	-	321,056
Intergovernmental	72,860	-	72,860
Other	47,649	79,151	126,800
	-----	-----	-----
<b>Total Revenues</b>	<b>\$ 448,866</b>	<b>\$ 160,410</b>	<b>\$ 609,276</b>
	-----	-----	-----
Program Expenses:			
Legislative	\$ 3,995	\$ -	\$ 3,995
Elections	2,453	-	2,453
General Services			
and Administration	144,837	-	144,837
Public Safety	63,674	-	63,674
Public Works	183,389	77,396	260,785
Community and			
Economic Development	130	-	130
Recreation and Culture	7,074	-	7,074
Other	78,578	-	78,578
	-----	-----	-----
<b>Total Expenses</b>	<b>\$ 484,130</b>	<b>\$ 77,396</b>	<b>\$ 561,526</b>
	-----	-----	-----
Increase (decrease) in net assets	\$( 35,264)	\$ 83,014	\$ 47,750
Net assets, beginning, as restated	1,711,503	1,341,268	3,052,771
	-----	-----	-----
<b>Net Assets, Ending</b>	<b>\$ 1,676,239</b>	<b>\$ 1,424,282</b>	<b>\$ 3,100,521</b>
	=====	=====	=====

The Township's total revenues were \$609,276. The total cost of all programs and services was \$561,526, leaving an increase in net assets of \$47,750. My analysis below separately considers the operation of governmental activities:

**GOVERNMENTAL ACTIVITIES**

The net assets of the Township's governmental activities decreased \$ 35,264 and the net assets of the Township's business type activities increased \$83,014 for the year ended March 31, 2005.

The \$35,264 decrease is made up of \$14,403 of net loss from governmental funds discussed later, and depreciation expense of \$ 20,861.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**

**THE TOWNSHIP'S FUNDS**

As the Township completed the year, its governmental funds (as presented in the balance sheet on page 13) reported a combined fund balance of \$ 1,254,702 which is a \$ 35,264 decrease from the beginning of the year.

The main reason that there was a decrease from the beginning of the year was due to the depreciation expense of \$ 20,861 and an excess of actual expenditures (excluding depreciation) over budgeted expenditures in the amount of \$ 6,556.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the Township Board reviewed and amended the originally adopted budget a few times.

Actual charges to expenditures were \$ 24,417 more than the final amended budget. Conversely, revenues were \$ 13,149 more than the final budget projection.

Of the additional \$ 27,417 in excess expenditures, \$ 20,861 was for depreciation which had not been budgeted.

Of the additional \$ 13,149 in revenues, \$ 11,412 was from other revenues.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

As of March 31, 2005, the Township had \$ 1,851,269 invested in a variety of capital assets including land, land improvements, building and improvements, equipment and furnishings as are detailed in Table 3 below:

Table 3 - Capital Assets at March 31, 2005 (Net of Depreciation)

	Governmental Activities	Business Type Activities	Total
Land	\$ 35,150	\$ 10,500	45,650
Construction in Progress	-	1,261,274	1,261,274
Land Improvements	57,538	155,358	212,896
Building and Improvements	299,509	-	299,509
Equipment and Furnishings	29,340	2,600	31,940
	-----	-----	-----
	\$ 421,537	\$ 1,429,732	\$ 1,851,269
	=====	=====	=====

The Township had additions to fixed assets during the current year in the amount of \$ 1,261,274 which consisted of Construction in Progress for the water system. Depreciation expense for the year was \$ 33,480.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**

**DEBT**

At March 31, 2005, the Township had \$12,326 in bonds outstanding and \$3,180 in accrued sick leave as detailed in Notes E and F to the financial statements.

**ECONOMIC FACTORS FOR NEXT YEAR'S BUDGET**

In preparing the Townships budget for the year ended March 31, 2006, we looked at the past year's budget as well as the last two complete years' actual revenues and expenditures and prepared our budget from these documents, with increases and decreases where necessary.

**CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Township of Tilden; 3414 County Road PG; Ishpeming, Michigan 49849-9602.

TOWNSHIP OF TILDEN  
STATEMENT OF NET ASSETS  
March 31, 2005

	Governmental Activities	Business Type Activities	Total
	-----	-----	-----
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 417,559	\$ 24,318	\$ 441,877
Investments	874,928	-	874,928
Receivables (net)	43,232	1,389	44,621
	-----	-----	-----
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 1,335,719</b>	<b>\$ 25,707</b>	<b>\$ 1,361,426</b>
Non-current assets:			
Land and construction in progress	\$ 35,150	\$ 1,271,774	\$ 1,306,924
Other capital assets	535,897	319,680	855,577
Accumulated depreciation	( 149,510)	( 161,722)	( 311,232)
	-----	-----	-----
<b>TOTAL NON-CURRENT ASSETS</b>	<b>\$ 421,537</b>	<b>\$ 1,429,732</b>	<b>\$ 1,851,269</b>
	-----	-----	-----
<b>TOTAL ASSETS</b>	<b>\$ 1,757,256</b>	<b>\$ 1,455,439</b>	<b>\$ 3,212,695</b>
	-----	-----	-----
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	\$ 81,017	\$ 31,157	\$ 112,174
	-----	-----	-----
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 81,017</b>	<b>\$ 31,157</b>	<b>\$ 112,174</b>
	-----	-----	-----
<b>NET ASSETS</b>			
Invested in capital assets			
net of related debt	\$ 421,537	\$ 1,246,700	\$ 1,668,237
Restricted	874,928	19,809	894,737
Unrestricted	379,774	157,773	537,547
	-----	-----	-----
<b>TOTAL NET ASSETS</b>	<b>\$ 1,676,239</b>	<b>\$ 1,424,282</b>	<b>\$ 3,100,521</b>
	=====	=====	=====

The accompanying notes are an integral part of these statements.

TOWNSHIP OF TILDEN  
STATEMENT OF ACTIVITIES

For the Year ended March 31, 2005

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
Primary Government:					
Governmental Activities:					
Legislative	\$ 3,995	\$ -	\$ -	\$ -	\$ 3,995
Elections	2,453	-	-	-	2,453
General services and administration	144,837	7,291	-	-	137,546
Public Safety	63,674	10	-	-	63,664
Public Works	183,389	-	-	-	183,389
Community and economic development	130	-	-	-	130
Recreation and culture	7,074	-	-	-	7,074
Other	78,578	-	-	-	78,578
Total Governmental Activities	\$ 484,130	\$ 7,301	\$ -	\$ -	\$ 476,829
TOTAL PRIMARY GOVERNMENT	\$ 484,130	\$ 7,301	\$ -	\$ -	\$ 476,829
General Revenues:					
Taxes					\$ 321,056
Intergovernmental					72,860
Other					47,649
TOTAL GENERAL REVENUES					\$ 441,565
CHANGE IN NET ASSETS \$( 35,264)					
Net assets, beginning of year					1,711,503
NET ASSETS, END OF YEAR					\$ 1,676,239

The accompanying notes are an integral part of these financial statements.

## TOWNSHIP OF TILDEN

## GOVERNMENTAL FUNDS

## BALANCE SHEET

March 31, 2005

	General Fund	Road Fund	Fire Garbage Rec. Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 196,740	\$ 106,513	\$ 114,306	\$ 417,559
Investments	-	874,928	-	874,928
Receivables	2,031	-	-	2,031
Taxes receivable	2,991	1,378	1,367	5,736
Due from other funds	11,648	37,529	8,858	58,035
<b>TOTAL ASSETS</b>	<b>\$ 213,410</b>	<b>\$ 1,020,348</b>	<b>\$ 124,531</b>	<b>\$ 1,358,289</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 8,481	\$ 67,678	\$ 4,858	\$ 81,017
Due to other funds	21,570	1,000	-	22,570
<b>TOTAL LIABILITIES</b>	<b>\$ 30,051</b>	<b>\$ 68,678</b>	<b>\$ 4,858</b>	<b>\$ 103,587</b>
<b>FUND BALANCE:</b>				
General Fund	\$ 183,359	\$ -	\$ -	\$ 183,359
Road Fund	-	951,670	-	951,670
Fire, Garbage and Recreation Fund	-	-	119,673	119,673
<b>TOTAL FUND BALANCE</b>	<b>\$ 183,359</b>	<b>\$ 951,670</b>	<b>\$ 119,673</b>	<b>\$ 1,254,702</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 213,410</b>	<b>\$ 1,020,348</b>	<b>\$ 124,531</b>	<b>\$ 1,358,289</b>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF TILDEN

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS

March 31, 2005

Total Fund Balances for Governmental Funds \$ 1,254,702

Amounts reported for governmental activities in the statement  
of net assets are different because:

Capital assets used in governmental activities are not  
financial resources and therefore are not reported in  
the funds

421,537  
-----

NET ASSETS OF GOVERNMENTAL FUNDS \$ 1,676,239  
=====

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF TILDEN  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Year ended March 31, 2005

	General Fund	Road Fund	Fire Garbage Rec. Fund	Total Governmental Funds
	-----	-----	-----	-----
Revenues:				
Taxes	\$ 163,077	\$ 80,115	\$ 77,864	\$ 321,056
Intergovernmental	72,860	-	-	72,860
Other	14,512	33,078	7,360	54,950
	-----	-----	-----	-----
<b>TOTAL REVENUES</b>	<b>\$ 250,449</b>	<b>\$ 113,193</b>	<b>\$ 85,224</b>	<b>\$ 448,866</b>
Expenditures:				
Township board	\$ 3,995	\$ -	\$ -	\$ 3,995
Supervisor	7,959	-	-	7,959
Election expense	2,453	-	-	2,453
Assessor	38,354	-	-	38,354
Clerk	7,880	-	-	7,880
Board of review	819	-	-	819
Treasurer	12,640	-	-	12,640
Township hall	49,541	-	-	49,541
Garage and vehicles	27,644	-	-	27,644
Police protection	-	33,686	-	33,686
Fire protection	-	-	29,913	29,913
Sanitation	-	-	46,231	46,231
Animal control	75	-	-	75
Planning and zoning	130	-	-	130
Highways and streets	24,001	113,157	-	137,158
Parks and recreation	3,217	-	3,857	7,074
Other	78,578	-	-	75,578
	-----	-----	-----	-----
<b>TOTAL EXPENDITURES</b>	<b>\$ 257,286</b>	<b>\$ 146,843</b>	<b>\$ 80,001</b>	<b>\$ 484,130</b>
	-----	-----	-----	-----
<b>EXCESS REVENUES (EXPENDITURES)</b>	<b>\$ ( 6,837)</b>	<b>\$ ( 33,650)</b>	<b>\$ 5,223</b>	<b>\$ ( 35,264)</b>
Fund balance at beginning of year	190,196	985,320	114,450	1,289,966
	-----	-----	-----	-----
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 183,359</b>	<b>\$ 951,670</b>	<b>\$ 119,673</b>	<b>\$ 1,254,702</b>
	=====	=====	=====	=====

The accompanying notes are an integral part of these financial statements.



TOWNSHIP OF TILDEN

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year ended March 31, 2005

Net Change in Fund Balances - Total Governmental Funds \$( 14,403)

Amounts reported for governmental activities in the statement  
of activities are different because:

Governmental funds report capital outlays such as expenditures.  
However, in the statement of activities, the cost of those  
assets is allocated over their estimated useful lives as  
depreciation expense. This is the amount by which capital  
outlays exceeded depreciation in the current period.

Capital outlays	\$	-	
Depreciation expense	(	20,861)	( 20,861)
		-----	-----

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$( 35,264)  
=====

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF TILDEN  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS

March 31, 2005

	Trust and Agency	Current Tax Collection Account	Total
	-----	-----	-----
<b>ASSETS</b>			
Cash and cash equivalents	\$ 159	\$ 8,032	\$ 8,191
	-----	-----	-----
<b>TOTAL ASSETS</b>	<b>\$ 159</b>	<b>\$ 8,032</b>	<b>\$ 8,191</b>
	=====	=====	=====
<b>LIABILITIES</b>			
Due to general fund	\$ 159	\$ 5 384	\$ 5,543
Due to special revenue funds	-	130	130
Due to others	-	2,518	2,518
	-----	-----	-----
<b>TOTAL LIABILITIES</b>	<b>\$ 159</b>	<b>\$ 8,032</b>	<b>\$ 8,191</b>
	=====	=====	=====

The accompanying notes are an intergral part of these financial statements.

TOWNSHIP OF TILDEN  
NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of the Township of Tilden:

1. Financial Reporting Entity

In accordance with the provisions of the Governmental Accounting Standards Board Statement No. 14 entitled "The Financial Reporting Entity" a governmental financial reporting entity consists of a primary government, such as a general purpose local government, and component units, which are defined as units for which the primary government is financially accountable. The primary government is financially accountable if it appoints a voting majority of a component's governing body, and there is a potential for the component unit to provide certain financial benefits to, or impose certain financial burdens on, the primary government.

As required by generally accepted accounting principles, the financial statements of the reporting entity includes those of the Township of Tilden (the primary government). However, there are no units which qualify as component units as defined above.

2. Fund Accounting

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The various funds are grouped, in the financial statements in this report, as follows:

Governmental Funds:

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Proprietary Funds:

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### Fiduciary Funds:

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Township as an agent for other governmental units and other funds. These agency funds are custodial in nature and do not involve measurement of results of operations.

### Account Groups:

General Fixed Asset Account Group - This account group presents the fixed assets of the local unit utilized in its general operations.

General Long-Term Debt Account Group - This account group presents the balance of general obligation long-term debt which is not recorded in proprietary funds.

### 3. Measurement Focus

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. No depreciation has been provided on general fixed assets.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activities are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

# NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary funds balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. Fixed assets and their related accumulated depreciation, by major classification are as follows:

	Cost	Accumulated Depr.	Current Depr.	Estimated Lives
	-----	-----	-----	-----
Water distribution system	278,964	123,606	9,362	7-20 years
Machinery and equipment	40,716	38,116	2,957	7-10 years

## 4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Agency Funds are accounted for using the cash basis of accounting. Since Agency Funds do not involve measurement of results of operations, there are no revenue or expenditure accounts.

## 5. Budgets and Budgetary Accounting

The township follows these procedures in establishing the budgetary data reflected in the financial statements:

- In February, the Township Supervisor submits to the Township Board, a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted to obtain taxpayer comments.
- Prior to April 1, the budget is legally enacted by resolution.
- Any revision that alters the original budget of any fund must be approved by the Township Board.
- Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.
- Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles.
- Budget appropriations lapse at the end of each fiscal year.
- Budgeted amounts are stated as originally adopted or as amended by the Township Board.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the governmental unit.

Investments are stated at cost or amortized cost.

7. Inventory

Inventories are not significant and have not been recognized in any of the funds.

8. Due from Other Funds

Due from other funds represent current interfund loans receivable and are considered "available spendable resources."

9. Accumulated Unpaid Vacation and Sick Leave

The Township does not allow employees to accumulate unused vacation. Sick leave may be accumulated up to a maximum of 30 days. At March 31, 2005, accumulated sick leave amounted to \$ 3,180. This amount is shown as a liability in the General Long-Term Debt Account Group.

10. Fund Balance Reserves

Fund balance reserves in the General Fund total \$ 61,568 and represent amounts to be used for capital outlay and budget stabilization.

Fund balance reserves in the Special Revenue Funds represent amounts reserved in the Road Fund for payment of the long-term bonds to the Marquette County Solid Waste Management Authority and the long-term contracts payable to the Marquette County Road Commission.

11. Total Columns on Combined Statements

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE B - CASH AND INVESTMENTS

The captions on the combined balance sheet relating to cash and investments and the amounts in the total "Memorandum Only" are as follows:

Totals (Memorandum Only)	
Cash in bank	\$ 607,448
Investments	717,548

Total	\$ 1,324,996
-------	--------------

A summary of deposits by type are:

Cash in demand accounts	\$ 1,526
Cash in savings accounts	451,783
Certificates of deposit	154,139
Investments	717,548

Total	\$ 1,324,996
-------	--------------

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

These deposits are in three financial institutions and to brokerage firms located in the County of Marquette in varying amounts. All accounts are in the name of the Township and a specific fund or common account. They are recorded in Township records at cost. Interest is recorded when the deposits mature or is credited to the applicable account.

Statutory Authority

Act 217, PA 1982, authorizes the Township to deposit and invest in:

- (a) bonds and other direct obligations of the United States or its agencies
- (b) certificates of deposit, savings accounts, deposit accounts, or depository receipts of federally insured banks, insured savings and loan associations or credit unions insured by the national credit union administration that are eligible to be depository of surplus money belonging to the State under Section 5 or 6 of Act 105, PA 1855, as amended (MCL 21.145 and 21.146)
- (c) commercial paper rated at time of purchase within the three highest classifications established by not less than two standard rating services. Maturity cannot be more than 270 days after purchase and not more than 50 percent of any fund may be invested in commercial paper at any time
- (d) United States government or federal agency obligation repurchase agreements
- (e) banker's acceptance of United States banks
- (f) mutual funds composed of investments which are legal for direct investments by local units of government in Michigan

The Township's investments are in accordance with statutory authority.

Michigan law (Section 3, Act 40, PA 1932, as amended) prohibits security in the form of collateral, surety bond or another form for the deposit of public money.

At year end, the Township's cash and cash equivalents bank balance was \$ 607,448 of which \$ 273,383 was insured by the Federal Deposit Insurance Corporation (FDIC) Regulation number 330.8. The remaining balance of \$ 334,065 was uninsured and uncollateralized. This regulation in summary provides that deposits of a governmental unit are insured for the lesser of the amount of the combined deposit or \$100,000 demand deposits and \$100,000 timed deposits in every financial institution that is not a branch location that is a member of the FDIC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Investments

Investments made by the Township are summarized below. The investments that are represented by specific identifiable investments securities are classified as to credit risk within the following two categories:

Category 1: Insured or registered, or securities held by the Township or its agent in the Township's name.

Category 2: Uninsured and unregistered with securities held by the counterparty's trust department or agent in the Township's name.

Investment Type	Risk Category		Carrying Value	Market Value
	1	2		
Governmental Funds:				
Certificates of Deposit	\$ 154,139	\$ -	\$ 154,139	\$ 154,139
U.S. Government Securities	717,548	-	717,548	704,539
Total Investments	<u>\$ 871,687</u>	<u>\$ -</u>	<u>\$ 871,687</u>	<u>\$ 858,678</u>

NOTE C - ACCOUNTS RECEIVABLE

Receivables are shown net of an allowance for uncollectables on the combined balance sheet. An allowance for uncollectable accounts was not required at March 31, 2005.

NOTE D - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets is as follows:

	Cost Basis April 1, 2004	Additions (Retirements)	Accumulated Depreciation	Book Value March 31 2005
Land	\$ 35,150	\$ -	\$ -	\$ 35,150
Landscaping	71,922	-	14,384	57,538
Township hall	162,542	-	32,425	130,117
Township garage	31,160	-	6,232	24,928
Recreational building and facilities	180,006	-	35,542	144,464
Vehicles	16,185	-	6,936	9,249
Machinery and equipment	28,244	-	19,013	9,231
Office furniture and equipment	31,638	-	25,178	6,460
Maintenance equipment	4,000	-	3,200	800
Voting mach's & software	10,200	-	6,600	3,600
	<u>\$571,047</u>	<u>\$ -</u>	<u>\$ 149,510</u>	<u>\$ 421,537</u>



NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE E - CHANGES IN LONG-TERM DEBT

Long-term debt at March 31, 2005 consisted of:

	Balance April 1, 2004	Additions	Deductions	Balance March 31, 2005
Marquette County Solid Waste Authority Bonds	\$ 14,218	\$ -	\$ 1,892	\$ 12,326
Accrued sick leave	3,085	2,005	1,910	3,180
Totals	\$ 17,303	\$ 2,005	\$ 3,802	\$ 15,506

NOTE F - MARQUETTE COUNTY SOLID WASTE MANAGEMENT AUTHORITY

The Township of Tilden and most other municipalities located in Marquette County formed the Marquette County Solid Waste Management Authority on June 16, 1988. The purpose of the Authority is to acquire, construct, establish, and implement a solid waste disposal system to be located in Marquette County. The Authority is governed by a Board of Trustees made up of members from the participating municipalities. The Township paid \$40,142 for the year ended March 31, 1989, which represented their share of the original estimated construction costs. However, construction cost overruns were financed by the Authority through the sale of bonds to the Michigan Municipal Bond Authority. The Township of Tilden is responsible for the repayment of \$28,920 of construction cost overruns. A schedule of the Township's remaining payments on the bonds is as follows:

	May 1		November 1	
	Principal	Interest	Interest	Total
2005	\$ 2,054	\$ 431	\$ 376	\$ 2,861
2006	2,271	373	260	2,904
2007	2,433	258	196	2,887
2008	2,649	195	73	2,917
2009	2,919	73	-	2,992
TOTALS	\$ 12,326	\$ 1,330	\$ 905	\$ 14,561

# NOTES TO FINANCIAL STATEMENTS (CONTINUED)

## NOTE G - LONG-TERM CONTRACTS PAYABLE

The Township enters into contracts for road construction with the Marquette County Road Commission. Terms of the contract call for the Marquette County Road Commission to upgrade specified county roads with the Township paying a percentage of the actual costs over a period of time. During the year ended March 31, 2005, there were payments of \$ 112,151.88 on two projects.

The Township budgets for these payments annually and records them as an expenditure in the year paid. The fund balance in the Road Fund is also reserved for these contractual payments.

## NOTE H - PROPERTY TAXES

Property taxes are levied on December 1. The Township collects its own property taxes until mid February, at which time collection is turned over to Marquette County.

The tax rates levied for the year ended March 31, 2005, on a taxable value of \$ 17,506,661 were as follows:

	Millage Rate /M	Amount
General Operating	1.3157	\$ 23,028
Road Fund	.9658	16,903
Fire, Garbage and Recreation	.9578	16,763

## NOTE I - RETIREMENT PLAN

The Township adopted a Simplified Pension Plan (SEP) in January of 1985. All employees that have worked for the Township in three of the last five years and received over \$ 374 in compensation during the current year are eligible to participate. For the year ended March 31, 2005, the Township contributed five percent of the gross pay for all eligible employees and elected officials which amounted to \$ 4,151.86.

## NOTE J - RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains insurance coverage through the Michigan Township Participating Plan which covers each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this coverage in any of the past three years.

## NOTE K - NEW WATER SYSTEM

The Township is in the process of replacing their current water system. The estimated cost of the project is \$ 2,172,750 and is to be paid for through a grant in the amount of \$ 1,617,000, revenue bonds in the amount of \$ 540,000 and matching funds in the amount of \$ 15,750. The project was started during the summer of 2004 and is to be completed by the summer 2005. Through March 31, 2005, \$ 1,261,274.28 had been expended on the project.

TILDEN TOWNSHIP - GENERAL FUND  
STATEMENT OF BUDGETED AND ACTUAL REVENUES  
For the Year Ended March 31, 2005

	<u>Budget</u>	<u>Actual</u>
<u>GENERAL PROPERTY TAXES</u>		
Current tax collections	\$ 24,000	\$ 23,028
Specific ore tax	89,000	86,245
Swamplands tax	15,800	15,826
Commercial forest	200	239
Delinquent tax collections and interest	1,200	2,376
Administrative fees	31,000	35,363
	<hr/>	<hr/>
TOTAL GENERAL PROPERTY TAXES	\$ 161,200	\$ 163,077
	<hr/>	<hr/>
<u>INTERGOVERNMENTAL REVENUE</u>		
Sales tax	\$ 73,000	\$ 72,860
	<hr/>	<hr/>
TOTAL INTERGOVERNMENTAL REVENUES	\$ 73,000	\$ 72,860
	<hr/>	<hr/>
<u>OTHER REVENUES</u>		
Reimbursements	\$ -	\$ 779
Dog licenses	-	10
Other charges for services	500	3,536
Hall rental	2,000	3,755
Interest on investments	500	1,160
Miscellaneous	100	5,272
	<hr/>	<hr/>
TOTAL OTHER REVENUES	\$ 3,100	\$ 14,512
	<hr/>	<hr/>
TOTAL REVENUES	<u>\$ 237,300</u>	<u>\$ 250,449</u>

TILDEN TOWNSHIP - GENERAL FUND  
STATEMENT OF BUDGETED AND ACTUAL EXPENDITURES  
For the Year Ended March 31, 2005

	<u>Budget</u>	<u>Actual</u>
<u>TOWNSHIP BOARD</u>		
Salaries and wages	\$ 2,281	\$ 2,601
Printing and memberships	1,800	1,374
Miscellaneous	-	20
TOTAL TOWNSHIP BOARD	<u>\$ 4,081</u>	<u>\$ 3,995</u>
<u>TOWNSHIP SUPERVISOR</u>		
Salaries and wages	\$ 7,949	\$ 7,959
Travel	200	-
Miscellaneous	-	-
TOTAL TOWNSHIP SUPERVISOR	<u>\$ 8,149</u>	<u>\$ 7,959</u>
<u>ELECTIONS</u>		
Salaries and wages	\$ 500	\$ 1,138
Miscellaneous	1,100	1,315
TOTAL ELECTIONS	<u>\$ 1,600</u>	<u>\$ 2,453</u>
<u>ASSESSOR</u>		
Salaries and wages	\$ 35,000	\$ 37,851
Office supplies	500	301
Dues and memberships	250	165
Travel	-	-
Miscellaneous	200	37
TOTAL ASSESSOR	<u>\$ 35,950</u>	<u>\$ 38,354</u>
<u>TOWNSHIP CLERK</u>		
Salaries and wages:		
Clerk	\$ 7,249	\$ 7,304
Deputy Clerk	500	395
Office supplies	100	14
Travel	100	167
Miscellaneous	-	-
TOTAL TOWNSHIP CLERK	<u>\$ 7,949</u>	<u>\$ 7,880</u>

TILDEN TOWNSHIP - GENERAL FUND  
STATEMENT OF BUDGETED AND ACTUAL EXPENDITURES (CONTINUED)  
For the Year Ended March 31, 2005

	<u>Budget</u>	<u>Actual</u>
<u>BOARD OF REVIEW</u>		
Salaries and wages	\$ 350	\$ 336
Miscellaneous	150	483
	<hr/>	<hr/>
TOTAL BOARD OF REVIEW	\$ 500	\$ 819
	<hr/>	<hr/>
<u>TOWNSHIP TREASURER</u>		
Salaries and wages	\$ 7,710	\$ 8,174
Office supplies	3,500	4,031
Travel	100	85
Miscellaneous	-	350
	<hr/>	<hr/>
TOTAL TOWNSHIP TREASURER	\$ 11,310	\$ 12,640
	<hr/>	<hr/>
<u>TOWNSHIP HALL</u>		
Salaries and wages	\$ 25,000	\$ 26,369
Operating supplies	3,000	2,300
Office supplies	3,000	4,724
Repair and maintenance	3,000	2,127
Equipment rental	-	-
Travel	100	32
Telephone	3,000	2,832
Utilities	9,500	10,860
Miscellaneous	-	297
Capital outlay	-	-
	<hr/>	<hr/>
TOTAL TOWNSHIP HALL	\$ 46,600	\$ 49,541
	<hr/>	<hr/>
<u>GARAGE AND VEHICLES</u>		
Salaries and wages	\$ 13,000	\$ 16,454
Operating supplies	3,500	2,267
Vehicle expense	4,500	3,279
Repair and maintenance	1,000	2,041
Utilities and telephone	3,600	3,603
Miscellaneous	-	-
Capital outlay	-	-
	<hr/>	<hr/>
TOTAL GARAGE AND VEHICLES	\$ 25,600	\$ 27,644
	<hr/>	<hr/>

TILDEN TOWNSHIP - GENERAL FUND  
 STATEMENT OF BUDGETED AND ACTUAL EXPENDITURES (CONTINUED)  
 For the Year Ended March 31, 2005

	<u>Budget</u>	<u>Actual</u>
<u>ANIMAL CONTROL</u>		
Salaries and wages	\$ -	\$ -
Other	50	75
TOTAL ANIMAL CONTROL	\$ 50	\$ 75
<u>PLANNING AND ZONING</u>		
Salaries and wages	\$ 300	\$ 65
Operating supplies	200	65
TOTAL PLANNING AND ZONING	\$ 500	\$ 130
<u>HIGHWAYS AND STREETS</u>		
Contractual services	\$ 25,000	\$ 24,001
TOTAL HIGHWAYS AND STREETS	\$ 25,000	\$ 24,001
<u>PARKS AND RECREATION</u>		
Salaries and wages	\$ 3,100	\$ 3,217
TOTAL PARKS AND RECREATION	\$ 3,100	\$ 3,217
<u>OTHER</u>		
Social security taxes	\$ 7,880	\$ 8,468
Unemployment compensation	3,500	2,381
Employee benefits	18,200	13,099
Pension	4,500	3,726
Insurance and bonds	17,000	19,830
Professional fees	4,400	5,932
Community promotion	-	-
Provision for depreciation	-	20,861
Miscellaneous	4,000	4,281
TOTAL OTHER	\$ 59,480	\$ 78,578
TOTAL EXPENDITURES	\$ 229,869	\$ 257,286

## TOWNSHIP OF TILDEN

## SPECIAL REVENUE FUNDS

## BALANCE SHEET

March 31, 2005

## ASSETS

	Road Fund	Fire Garbage Recreation	Total
	-----	-----	-----
Cash on hand and in banks	\$ 106,513	\$ 114,306	\$ 220,819
Investments	874,928	-	874,928
Delinquent taxes receivable	1,378	1,367	2,745
Due from other funds:			
General Fund	15,900	5,670	21,570
Water Fund	21,564	2,123	23,687
Fiduciary Account	65	65	130
Other funds	-	1,000	1,000
	-----	-----	-----
TOTAL ASSETS	\$1,020,348	\$ 124,531	\$1,144,879
	=====	=====	=====

## LIABILITIES AND FUND BALANCE

Liabilities			
Accounts payable	\$ 67,678	\$ 4,858	\$ 72,536
Due to other funds	1,000	-	1,000
	-----	-----	-----
TOTAL LIABILITIES	\$ 68,678	\$ 4,858	\$ 73,536
Fund balance:			
Unreserved	\$ 76,742	\$ 119,673	\$ 196,415
Reserved	874,928	-	874,928
	-----	-----	-----
TOTAL FUND BALANCE	\$ 951,670	\$ 119,673	\$1,071,343
	-----	-----	-----
TOTAL LIABILITIES AND FUND BALANCE	\$1,020,348	\$ 124,531	\$1,144,879
	=====	=====	=====

## TOWNSHIP OF TILDEN

## SPECIAL REVENUE FUNDS

## STATEMENT OF INCOME, EXPENSES, AND CHANGES IN FUND BALANCES

Year ended March 31, 2005

	Road Fund	Fire Garbage Recreation	Total
	-----	-----	-----
INCOME			
Current tax collections	\$ 16,968	\$ 16,828	\$ 33,796
Specific ore tax	63,106	61,003	124,109
Delinquent tax collections and interest	41	33	74
Interest on investments	33,078	1,435	34,513
Other income	-	5,925	5,925
	-----	-----	-----
TOTAL INCOME	\$ 113,193	\$ 85,224	\$ 198,417
EXPENSES			
Sanitation:			
Contractual services	\$ -	\$ 21,593	\$ 21,593
Landfill	-	686	686
Transfer station	-	23,952	23,952
Streets and roads:			
Operating supplies	1,005	-	1,005
Improvements	112,152	-	112,152
Police protection	33,686	-	33,686
Fire:			
Contractual services	-	25,364	25,364
Hydrant rental	-	3,672	3,672
Other	-	877	877
Parks and Recreation	-	3,857	3,857
	-----	-----	-----
TOTAL EXPENSES	\$ 146,843	\$ 80,001	\$ 226,844
	-----	-----	-----
NET INCOME (LOSS)	\$ ( 33,650)	\$ 5,223	\$ ( 28,427)
Fund balance at April 1, 2004	985,319	114,449	1,099,768
	-----	-----	-----
FUND BALANCE AT MARCH 31, 2005	\$ 951,669	\$ 119,672	\$1,071,341
	=====	=====	=====



## TILDEN TOWNSHIP - WATER FUND

STATEMENT OF INCOME, EXPENSES, AND CHANGES  
IN RETAINED EARNINGS - BUDGET AND ACTUAL

For the year ended March 31, 2005

	Budget	Actual	Variance Favorable (Unfavorable)
	-----	-----	-----
OPERATING INCOME - Water charges	\$ 70,200	\$ 81,259	\$ 11,059
OPERATING EXPENSES			
Salaries and wages	\$ 27,890	\$ 15,472	\$ 12,418
Payroll taxes	2,365	1,172	1,193
Pension	1,450	425	1,025
Operating supplies	3,000	2,714	286
Water purchases and testing	16,500	19,261	( 2,761)
Utilities and telephone	14,600	13,861	739
Repair and maintenance	1,000	893	107
Other operating expenses	2,200	2,543	( 343)
Provision for depreciation	-	12,619	( 12,619)
Other expenses	1,700	-	1,700
	-----	-----	-----
TOTAL OPERATING EXPENSES	\$ 70,705	\$ 68,960	\$ 1,745
	-----	-----	-----
OPERATING PROFIT (LOSS)	\$ ( 505)	\$ 12,299	\$ 12,804
NON-OPERATING REVENUES (EXPENSES)			
Reimbursements	\$ -	\$ 79,073	\$ 79,073
Interest on investments	100	78	( 22)
Interest on bonds	( - )	( 8,418)	( 8,418)
Other interest expense	( - )	( 18)	( 18)
	-----	-----	-----
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$ 100	\$ 70,715	\$ 70,615
	-----	-----	-----
NET INCOME (LOSS)	\$ ( 405)	\$ 83,014	\$ 83,419
	=====		=====
Retained earnings at April 1, 2004		94,568	
		-----	
RETAINED EARNINGS AT MARCH 31, 2005		\$177,582	
		=====	

TOWNSHIP OF TILDEN  
TRUST AND AGENCY FUNDS  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
March 31, 2005

	Trust and Agency	Current Tax Collection Account	Total
	-----	-----	-----
ASSETS			
Cash in bank	\$ 159	\$ 8,032	\$ 8,191
	-----	-----	-----
TOTAL ASSETS	\$ 159	\$ 8,032	\$ 8,191
	=====	=====	=====
LIABILITIES			
Due to general fund	\$ 159	\$ 5 384	\$ 5,543
Due to special revenue funds	-	130	130
Due to others	-	2,518	2,518
	-----	-----	-----
TOTAL LIABILITIES	\$ 159	\$ 8,032	\$ 8,191
	=====	=====	=====

TOWNSHIP OF TILDEN  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
Year ended March 31, 2005

	Balance at April 1, 2004	Additions	Deductions	Balance at March 31, 2005
	-----	-----	-----	-----
TRUST AND AGENCY FUND				
ASSETS				
Cash in bank	\$ 157	\$ 265	\$ 263	\$ 159
	=====	=====	=====	=====
LIABILITIES				
Due to General Fund	\$ -	\$ -	\$ -	\$ -
Due to Road Fund	-	-	-	-
Due to Fire, Garbage and Recreation Fund	-	-	-	-
Due to others	157	265	263	159
	-----	-----	-----	-----
TOTAL LIABILITIES	\$ 157	\$ 265	\$ 263	\$ 159
	=====	=====	=====	=====
CURRENT TAX COLLECTION ACCOUNT				
ASSETS				
Cash in bank	\$ -	\$ 2,390,496	\$ 2,382,464	\$ 8,032
	=====	=====	=====	=====
LIABILITIES				
Due to General Fund	\$ -	\$ 130,946	\$ 125,562	\$ 5,384
Due Special Revenue Funds	-	155,159	155,029	130
Due to Schools	-	774,943	774,530	413
Due to County	-	625,972	625,322	650
Due to State of Michigan	-	703,444	702,021	1,423
Due to Others	-	32	-	32
	-----	-----	-----	-----
TOTAL LIABILITIES	\$ -	\$ 2,390,496	\$ 2,382,464	\$ 8,032
	=====	=====	=====	=====

THOMAS R. FLEURY  
Certified Public Accountant

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

July 23, 2005

The Honorable Supervisor and Members  
Township of Tilden Board  
Marquette County, Michigan

I have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the TOWNSHIP OF TILDEN as of and for the year ended March 31, 2005, which collectively comprise the Township's basic financial statements and have issued my report thereon dated July 23, 2005. I conducted my audit in accordance with auditing standards generally accepted by the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

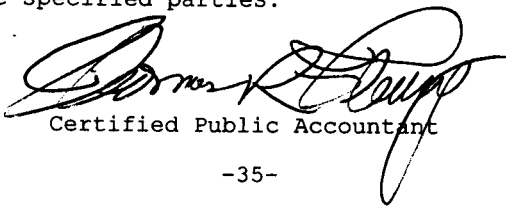
Internal Control Over Financial Reporting

In planning and performing my audit, I considered the TOWNSHIP OF TILDEN's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinions on the financial statements, and not to provide an opinion on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operations that I consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the TOWNSHIP OF TILDEN's financial statements are free of material misstatement, I performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with, which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the audit committee, management, Township Board, federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
Certified Public Accountant

## TOWNSHIP OF TILDEN

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended March 31, 2005

Federal Grantor -----	Federal CFDA Number -----	Federal Expenditures -----
U.S. Department of Agriculture - Rural Development	10.760	\$ 1,261,274 -----
Total Expenditures of Federal Awards		\$ 1,261,274 =====

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the TOWNSHIP OF TILDEN and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. The amounts reported in this schedule do not differ from amounts presented in, or used in the preparation of, the basic financial statements.

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Certified Public Accountant

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July 23, 2005

The Honorable Supervisor and  
Members of the Township Board  
Township of Tilden  
National Mine, Michigan

I have audited the financial statements of the Township of Tilden for the year ended March 31, 2005 and have issued my report thereon dated July 23, 2005. As part of my audit, I made a study and evaluation of the internal accounting control system to the extent I considered necessary to determine the nature, timing and extent of my auditing procedures. During my evaluation, I observed the following areas that require improvement or change in order to improve internal accounting controls.

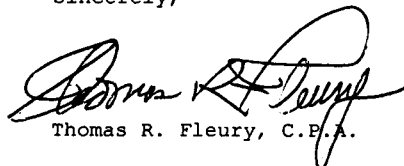
MONTHLY BUDGET REPORTS

A very important accounting tool for the Township Board is a monthly budget report. This report allows the Township Board to monitor revenues and expenditures and compare them to the budget amounts that were approved at the beginning of the year. It also allows for the amending of those budgets when necessary. During the year ended March 31, 2005, the Township had exceeded the budget in the following areas:

General Fund	Actual Expenditures	Amount Budgeted	Variance
Elections	\$ 2,453	\$ 1,600	\$ 853
Assessor	38,354	35,950	2,404
Board of Review	819	500	319
Township Treasurer	12,640	11,310	1,330
Township Hall	49,541	46,600	2,941
Garage and Vehicles	27,644	25,600	2,044
Animal Control	75	50	25
Parks and Recreation	3,217	3,100	117
Provision for Depreciation	20,861	-	20,861
Special Revenue Fund			
Sanitation	46,231	44,000	2,231
Water Fund			
Water Purchases and Testing	\$ 19,261	\$ 16,500	\$ 2,731
Other	2,543	2,200	343
Provision for Depreciation	12,619	-	12,619

It is a violation of the Michigan Budgeting and Accounting laws to expend more than has been budgeted and it is imperative that budgets be reviewed and amended in the future to cover increased in anticipated spending.

Sincerely,

  
Thomas R. Fleury, C.P.A.